

REMARKS**Summary of the Office Action - Status of the claims**

Claims 1-10 are pending in the Office Action.

Claims 1-10 are rejected under 35 U.S.C. § 101, 35 U.S.C. § 112, first paragraph and 35 U.S.C. § 103 (a).

Applicants' Response

As an initial matter, Applicants would like to thank the Examiner for withdrawing the previous rejection of claims 1-10 under 35 U.S.C. § 112, second paragraph. In this Amendment and Response, Applicants amend claims 1 and 4 and respond to the Examiner's Answer of December 9, 2008. Support for the new claims can be found throughout the Application. (*See*, e.g., Figure 2 and paragraphs [0047]-[0050] of the Specification). As such, no new matter has been added. Applicants' silence with regard to the Examiner's rejections of the dependent claims constitutes recognition by the Applicant that the rejections are moot based on Applicants' Remarks relative to the independent claim from which the dependent claims depend. Upon entry of the Amendment, claims 1-10 are pending. Applicants respectfully traverse all rejections of record.

Rejections under 35 U.S.C. § 101

Claims 1-10 were rejected under 35 U.S.C. § 101 as allegedly directed to non-statutory subject matter. Applicants respectfully submit that as amended, these claims are directed to patentable subject matter.

Claim 1 is directed to a method of conducting a transaction by a purchaser over a communications network. Among other things, the method of claim 1 features identifying a purchaser's first payment account number in response to an authorization request using a

computer programmed with logic for discriminating between said second payment account number and said first payment account number and for authenticating said request based on said encryption key; and using said computer, responding to said authorization request based upon said status of said first payment account number at the time of the transaction. Independent claim 4 comprises similar features. Applicants respectfully submit that the claimed method and system both transform data and positively recite the machine that accomplishes the claimed method steps. As such, Applicants respectfully submit that the claims are directed to statutory subject matter and respectfully request withdrawal of the rejection of claims 1-10 under 35 U.S.C. § 101.

Rejections under 35 U.S.C. § 112, First Paragraph

The Examiner has asserted that Claims 1-10 fail to meet the written description requirement of Section 112, first paragraph, because the limitation that a second payment account number (Claims 1-3) or a pseudo account number (Claims 4-10) be “reusable by the purchaser for as long as the first payment account number is usable by the purchaser,” is allegedly not supported by the Specification. According to the Examiner, one of ordinary skill in the art knows that if the pseudo number described in the Specification were to be compromised, a new pseudo number would be generated that renders the old one obsolete. (See Examiner’s Reply at page 5). Thus, reasons the Examiner, the Specification does not contain a description of a pseudo account number that is reusable for as long as the first payment account number is usable, but rather of one that is only reusable for as long as it has not been compromised.

Applicants respectfully submit that the Examiner’s reasoning is flawed, and the rejection improper. A rejection under Section 112, first paragraph, is appropriate only if the Specification fails to provide an adequate description of what is claimed. This is certainly not the case here.

Claims 1-10 recited either a second payment or pseudo account number that is reusable by the purchaser for as long as the purchaser's first payment account number is usable – a limitation which the Specification more than adequately describes. (*See, e.g.,* Specification, para. [0006]-[0008], “According to the present invention, a ‘pseudo’ account number is assigned to a customer and cryptographically linked to a consumer’s payment account number The pseudo account number is used by the customer instead of the real account number for all of his or her on-line financial transactions.”).

Nowhere does the Specification state that the pseudo account number would be reusable only to the extent that it is not compromised. To the contrary, in discussing the possibility of a compromised pseudo account number, the Specification states that “if unauthorized persons were to ascertain any pseudo account numbers, they would be unable to make fraudulent transactions using them” due to the cryptographic security protecting those numbers. (*See, e.g.,* Specification at paragraph [0008]). That is to say, the Specification actually suggests that even a compromised pseudo account number would be reusable for as long as the “real” payment account number is usable.

For at least these reasons, Applicants respectfully submit that the Examiner’s rejection under Section 112, paragraph one, is without foundation, and should be reversed.

Rejections under 35 U.S.C. § 103(a)

Claims 1-7, 9, and 10 were rejected under 35 U.S.C. § 103(a) as allegedly unpatentable over U.S. Patent No. 6,163,771 to Walker et al. (“Walker”) in view of U.S. Patent No. 6,636,833 to Flitcroft et al. (“Flitcroft”). Claim 8 was rejected under 35 U.S.C. § 103(a) as allegedly unpatentable over Walker in view of Flitcroft and further in view of U.S. Patent No. 6,018,717 to Lee et al. (“Lee”).

To reject claims in an application under Section 103, an examiner must establish a *prima facie* case of obviousness. Using the Supreme Court's guidelines enunciated in *Graham v. John Deere*, 383 U.S. 1, 17 (1966), one determines "obviousness" as follows:

Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined.

In *KSR Int'l Co. v. Teleflex Inc.*, No. 04-1350 (U.S. April 30, 2007), the Supreme Court reaffirmed the *Graham* test, and indicated that although it should not be rigidly applied, a useful test for determining obviousness is to consider whether there is a teaching, suggestion or motivation in the prior art that would lead one of ordinary skill in the art to combine known elements of the prior art to arrive at the claimed invention. Importantly, the Court emphasized that a patent examiner's analysis under Section 103 should be made explicit in order to facilitate review.

Thus, to establish a *prima facie* case of obviousness, the Examiner has an obligation to construe the scope of the prior art, identify the differences between the claims and the prior art, and determine the level of skill in the pertinent art at the time of the invention. The Examiner must then provide: (1) an explicit, cogent reason based on the foregoing why it would be obvious to modify the prior art to arrive at the claimed invention; (2) a reasonable expectation of success; and (3) a teaching or suggestion of all claimed features. See M.P.E.P. §§ 706.02(j) and 2143.

Applicants' independent claim 1 is directed towards a method of conducting a transaction by a purchaser over a communications network. Among other things, the method of claim 1 features "providing a second payment account number associated with said first payment

account number, said second payment account number being reusable by the purchaser for as long as the first payment account number is usable by the purchaser, and not being a transaction number and having an encryption key assigned thereto . . . ” No such combination is disclosed in or suggested by Walker or Flitcroft, whether considered individually or in combination.

No Motivation to Combine

As an initial matter, Walker is directed to generating a single use financial account number using a cryptographic key. (*See* Walker, Abstract). In contrast, Flitcroft describes a system for generating a single use card number “without the use of elaborate encryption techniques.” (*See* Flitcroft, Abstract). Therefore, Flitcroft teaches away from combining its non-cryptographic techniques with the cryptographic techniques of Walker. In other words, the cited references are concerned with different systems and methods for generating account numbers, and there would be no reason or likelihood of success for one of ordinary skill to combine the teachings of Walker with the system described in Flitcroft. The Examiner has not established a prima facie case of obviousness for at least these reasons.

Independent Claims 1 and 4

Assuming, *arguendo*, that there was a reasonable likelihood of success and a motivation to combine Walker and Flitcroft, the combination still would fail to disclose or suggest all elements of independent claims 1 and 4.

Among other things, the method of claim 1 features:

(b) providing a second payment account number associated with said first payment account number, ***said second payment account number being reusable by the purchaser for as long as the first payment account number is usable by the purchaser,*** and not being a transaction number and having an encryption key assigned thereto . . .

Similarly, the method of claim 4 features:

(b) providing said purchaser with a secure payment application which includes a cryptographic key that is unique to said account number and a pseudo account number, said pseudo account number having the same length as and associated with said first payment account number, and ***said pseudo account number being reusable by the purchaser for as long as the first payment account number is usable by the purchaser . . .***

Neither Walker nor Flitcroft discloses or suggests a second payment account number or pseudo account number that is both reusable and that may be used for as long as the first payment account is usable. As the Examiner himself states, Walker does not disclose either a second payment account number or a pseudo account number that is *reusable*. See Office Action at p. 6. Consequently, Walker also fails to disclose a second payment account number or a pseudo account number that is reusable for as long as the first payment account is usable by the purchaser.

Flitcroft does not cure this deficiency in Walker. Flitcroft, as the Examiner himself states, discloses reusable “limited-use card numbers.” See Office Action at p. 6. In Flitcroft, a “limited-use card number” is associated with a “master credit card number.” For security reasons, a “master credit card holder” may use a “limited-use card number” instead of his “master credit card number” to complete an electronic commerce transaction. The “limited-use card numbers are either “designated for a single use . . . [or] designated for multiple uses providing that the charges accrued do not exceed a prescribed threshold or thresholds, such [as] a total single charge, total charges over a limited period, total charge in a single transaction, etc.” Flitcroft refers to these conditions as “use-triggered conditions.” That is to say, the reusability of “limited use card number” in Flitcroft depends on “use-triggered conditions” that are triggered

by use of the limited use card number” itself. There is nothing in Flitcroft that discloses or suggests that the “limited use card number” is reusable for as long as the “master credit card number” is usable.

In short, neither Walker nor Flitcroft disclose a second payment account number or pseudo account number that is both reusable and that may be used for as long as the first payment account is usable.

For at least these reasons, Applicants respectfully submit that claims 1 and 4 are non-obvious and patentable over Walker in view of Flitcroft.

Dependent Claims 2-3 and 5-10

Since independent claims 1 and 4 are allowable over Walker and Flitcroft, dependent claims, 2-3, 5-7, and 9-10 are also allowable.

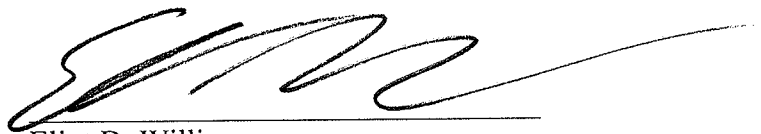
Claim 8 was rejected under 35 U.S.C. § 103(a) as allegedly unpatentable over Walker in view of Flitcroft and further in view of Lee. Assuming, *arguendo*, that Lee describes performing secure transactions using card unique certificates that are associated with a public key of a private/public key pair, as suggested by the Examiner, Lee still fails to overcome the shortcomings of Walker and Flitcroft discussed above with respect to independent claim 4, from which claim 8 depends. As such, Applicants respectfully submit that claim 8 is also allowable.

Based on the foregoing Amendment and Remarks, Applicants traverse the Examiner’s rejections of claims 1-10 under 35 U.S.C. § 101, 35 U.S.C. § 112, and 35 U.S.C. § 103(a).

CONCLUSION

In view of the foregoing Amendment and Remarks, Applicants respectfully request that prosecution be reopened and favorable consideration and allowance of claims 1-10. In the event that the application is not deemed in condition for allowance, the Examiner is invited to contact the undersigned in an effort to advance the prosecution of this application.

Respectfully submitted,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

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